

PORTFOLIO MANAGER COMMENTARY

Equity markets went out on a high in the final quarter of 2010 as market participants generally took a more benign view on the overall economic outlook. Domestically, the resource shares in particular had a good quarter as commodity prices continued to soar. The fund returned 8.2% for the quarter to end the calendar year with a total return of 20.6% against the 17.2% delivered by the Top 40 Index.

It was a very good year for stock selection for the fund. A number of our big positions performed very well in the final quarter of 2010 including Anglo American (+21%), Impala Platinum (+29%), Sasol (+13%) and Naspers (+14%). The investment case for Anglo American in particular has come through nicely as the market started to appreciate that its expansion projects in South America will add significant value to shareholders. Once again, taking a long-term view on the valuation has proved its worth. As we alluded to in the opening paragraph, commodity shares have been the big winners this quarter, despite the rand strengthening over this period. Commodity prices have continued to soar globally as the US, and to a lesser extent Europe, keep pumping cash into the global economy. While these prices are way above normal, resource companies are able to generate cash which can be returned to shareholders every year the prices remain this high. We increased our weightings to resources early in the year when the market was less optimistic about the global recovery. Now that these stocks have run quite hard we are looking at reducing some of our exposure, even though we are cognisant that the rand is very strong and likely to weaken in the medium term.

We have continued to increase our investments into companies with a global presence as we feel these companies offer the best return potential in the long term. We have added Mondi and Investec, maintained our big weightings in companies like MTN and Naspers and added further to SABMiller. These companies generally have exposure to fast growing markets in which they can continue to grow revenue at a faster rate than the domestic economy, and importantly, are not priced for this superior long-term earnings growth. The exception is Investec which has an extremely low earnings base in its UK operations due to the global financial crisis. As the environment normalises we expect earnings growth to come through strongly.

In a similar context we have maintained our large exposure to the SA banking sector. We continue to believe this sector is one of the cheapest in the domestic market and offers good medium-term return potential as bad debts normalise and revenues pick up once lending returns to the market. They generally trade at about a 50% discount to the SA retail sector which has re-rated strongly over the past year.

Finally, a new addition to the fund is MMI, the newly created life insurer formed from the merger of Momentum and MetLife. This was unbundled from our FirstRand holding. We are very excited about the opportunities within the group for synergistic growth and cost savings. With a potential dividend yield of between 6% and 7% it offers investors a great payoff profile.

Portfolio managers

Neville Chester and Pallavi Ambekar

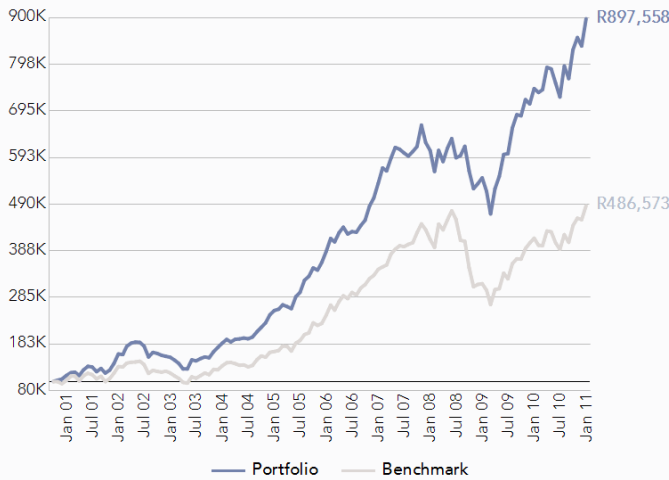
Fund category Domestic - Equity - Large Cap
Fund description Aims to outperform the FTSE/JSE Top 40 Index, is actively managed and typically holds no more than 20 large cap stocks at any point in time.
Launch date 01 October 2000
Portfolio manager/s Neville Chester and Pallavi Ambekar

Fund size R 6.33 billion
NAV 7525.07 cents
Benchmark FTSE/JSE Africa Top 40 Index
Risk profile



PERFORMANCE AND RISK STATISTICS¹

GROWTH OF A R100,000 INVESTMENT



PERFORMANCE FOR VARIOUS PERIODS

	Fund	Benchmark	Outperformance
Since Inception (unannualised)	797.6%	386.6%	411.0%
Since Inception (annualised)	23.9%	16.7%	7.2%
Latest 10 years (annualised)	23.0%	16.9%	6.1%
Latest 5 years (annualised)	18.4%	14.6%	3.8%
Latest 3 years (annualised)	13.9%	5.7%	8.2%
Latest 1 year (annualised)	20.6%	17.2%	3.4%
Year to date	20.6%	17.2%	3.4%
2009	35.9%	31.7%	4.1%
2008	(9.9)%	(23.6)%	13.7%
2007	13.5%	19.0%	(5.4)%

RISK STATISTICS SINCE INCEPTION

	Fund	Benchmark
Annualised Deviation	18.5%	20.6%
Sharpe Ratio	0.77	0.34
Maximum Gain	46.6%	37.4%
Maximum Drawdown	(31.7)%	(43.4)%
Positive Months	62.6%	59.3%

MONTHLY PERFORMANCE RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Fund 2010	(1.2)%	0.8%	6.7%	(0.4)%	(4.0)%	(4.0)%	9.4%	(3.5)%	8.3%	3.2%	(2.2)%	7.2%	20.6%
Fund 2009	(5.5)%	(9.5)%	11.9%	5.1%	8.8%	0.3%	9.4%	4.4%	(0.4)%	5.2%	(1.3)%	4.8%	35.9%
Fund 2008	(7.6)%	8.3%	(4.1)%	5.0%	3.5%	(6.7)%	0.8%	3.5%	(8.8)%	(6.9)%	2.1%	2.4%	(9.9)%

FEES (excl. VAT)

Initial Fee	Coronation: 0.00%
Annual Management Fee - performance related*	Minimum - standard: 1.00% Minimum - discounted: 0.50% Maximum: 3.00% Sharing Rate: 20.00%

* A portion of Coronation's annual management fee may be paid to administration platforms like LISP's as a payment for administrative and distribution services.

When applicable, Coronation shares in the fund performance above the performance fee hurdle. This performance fee is accrued daily, based on performance over a rolling 24-month period, and paid to Coronation monthly. If the fund produces a return in line with the benchmark, the standard minimum fee will be levied. If the fund produces a return below the benchmark, over a rolling 24-month period, the discounted minimum fee applies.

Total Expense Ratio (TER)²	3.28% per annum, which includes a performance fee of 2.13%
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PORTFOLIO DETAIL

EFFECTIVE ASSET ALLOCATION EXPOSURE

Sector	31 Dec 2010	
Domestic Assets	92.2%	
■ Equities	89.7%	
Oil & Gas	9.8%	
Basic Materials	22.2%	
Industrials	3.2%	
Consumer Goods	10.9%	
Health Care	3.2%	
Consumer Services	11.6%	
Telecommunications	10.0%	
Financials	18.7%	
■ Real Estate	1.7%	
■ Cash	0.8%	
International Assets	7.8%	
■ Equities	7.8%	

TOP 10 HOLDINGS

As at 31 Dec 2010	% of Fund
Anglo American Plc	11.8%
MTN Group Ltd	10.0%
Sasol Ltd	9.8%
Standard Bank of SA Ltd	7.9%
British American Tobacco Plc	7.8%
Naspers Ltd	7.2%
SABMiller Plc	6.3%
FirstRand	5.1%
Impala Platinum Holdings Ltd	4.8%
Woolworths Holdings Ltd	4.0%

INCOME DISTRIBUTIONS

Declaration	Payment	Amount	Dividend	Interest
30 Sep 2010	01 Oct 2010	51.23	49.81	1.42
31 Mar 2010	01 Apr 2010	17.09	15.71	1.38
30 Sep 2009	01 Oct 2009	20.47	18.03	2.44
31 Mar 2009	01 Apr 2009	209.46	207.04	2.42

Unit trusts should be considered a medium- to long-term investment. The value of units may go down as well as up. Past performance is not necessarily an indication of future performance. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Fluctuations or movements in exchange rates may cause the value of underlying investments to go up or down. Instructions must reach the Management Company before 2pm (12pm for the Money Market Fund) to ensure same day value. Fund valuations take place at approximately 15h00 each business day and forward pricing is used. Coronation is a Full member of the Association for Savings & Investment SA (ASISA). ¹Performance as calculated by Coronation as at 31 December 2010 for a lump sum investment using Class A NAV prices with income distributions reinvested. Performance figures are quoted after the deduction of all costs incurred within the fund. ²The TER is calculated as a percentage of the average NAV of the portfolio incurred as charges, levies and fees in the management of the portfolio for a rolling 12-month period to end September 2010, as well as the actual performance fee incurred over the 12 months to end September 2010. A higher TER ratio does not necessarily imply a poor return nor does a low TER imply a good return. The current disclosed TER cannot be regarded as an indication of future TER's.

Advice Costs (excluding VAT)

- Initial and ongoing advice fees may be facilitated on agreement between the Client and Financial Advisor.
- An initial advice fee may be negotiated to a maximum of 3% and is applied to each contribution and deducted before investment is made.
- Ongoing advice fees may be negotiated to a maximum of 1% per annum (if initial advice fee greater than 1.5% is selected, then the maximum annual advice fee is 0.5%), charged by way of unit reduction and paid to the Financial Advisor monthly in arrears. This annual advice fee is not part of the normal annual management fee as disclosed above.
- Where commission and incentives are paid, these are included in the overall costs.